TO: Agency Heads

FROM: Scott Charbo
          Chief Information Officer

SUBJECT: USDA Capital Planning and Investment Control – Portfolio Management

The current Investment Year (IY) 2004 USDA Information Technology (IT) Portfolio includes over 570 individual projects at an estimated cost of about $2.25 billion. These projects are reported in the Information Technology Investment Portfolio System (I-TIPS).

In anticipation of changes in Office of Management and Budget (OMB) reporting requirements for the next budget cycle and the upcoming USDA capital planning and investment control process for investment year 2005, it is time for a concerted effort to clean-up the USDA portfolio. This process will enable USDA to better manage the overall IT portfolio in the future.

The following action items will help reduce the overall number of investments and eliminate the double counting of funds within the portfolio.

Agency Action Items to be completed by April 30, 2003:

- Update all initiatives in I-TIPS with fiscal year (FY) 2003 passback numbers since the President signed the FY 2003 Agriculture Appropriations Bill on February 20, 2003. Chief Information Officers and Budget Officers should work together in this effort.

- Add any investments planned or underway for FY 2003 funds that are not currently recorded. Include those identified in your most recent eGovernment Tactical Plan and through the eGovernment Integrated Reporting process (if those investments are not integrated with investments already recorded in I-TIPS). Planned investments must be recorded in I-TIPS without regard to the source of funding. It is imperative for I-TIPS to match the two eGovernment planning documents referenced above.

Agency Action Items to be completed by May 30, 2003, for the FY 2005 cycle:

- The Office of the Chief Information Officer (OCIO) has identified a number of agency investments that meet the criteria for major investments, but have not previously been included in the major investment portfolio (see Attachment I). Prepare an Exhibit 300 for each of these investments.

- Prepare an Exhibit 300 for each active system that was identified as a Departmental priority mission critical system (see Attachment II).

- Prepare an Exhibit 300 for each Financial System with lifecycle costs over $500,000.

- Draft OMB guidance requires a single Exhibit 300 from USDA for each of the following types of investments: Infrastructure, Office Automation and, Telecommunications. All agencies must participate in the development of these consolidated USDA Exhibit 300s. OCIO will be the managing partner in this effort.

- Agencies expending resources on the development of their components of the USDA Enterprise Architecture must participate in the development of a single, consolidated USDA Exhibit 300. OCIO will be the managing partner in this effort.

- Agencies with Human Resources Systems planned or underway must participate in the development of a single, consolidated USDA Exhibit 300. The Office of Human Resources Management and OCIO will direct this effort.

- Agencies that purchase radios must participate in the development of a single, consolidated USDA Exhibit 300 for Radios. The Forest Service will be the managing partner in this effort.

- Review current investments and consolidate investments with lifecycle costs less than $500,000. Do not name them "Other" or "Miscellaneous." Eliminate investments that are inactive (with zero investment dollars listed for FY 2002 and onward).

- Remove agency contributions to the OCFO Financial Systems at the National Finance Center from agency portfolios. OCFO is responsible for reporting Administrative/Financial Systems resident at the center as well as the source of funds for these investments.

In addition to preparing the Exhibit 300 on any new (or newly designated) major system, keep in mind that Agencies will also need to submit the appropriate investment documentation (as outlined in the USDA CPIC Guide) for each of these systems. The Exhibit 300 will be reviewed by OCIO and the USDA Executive Information Technology Investment Review Board during the FY 2005 process.

Agency Action Items to be completed by July 1, 2003, for the FY 2005 cycle:

- Prepare a one-page "value proposition" for each investment that remains in your portfolio after the changes described above have been completed. The format for the value proposition is provided in Attachment III.

- Prepare a cross-cut exhibit showing costs for the following items:

  o E-Government

  o IT Security

  o Geographic Information Systems and geospatial data.

Please call me at 720-8833 if you have questions about these issues or have a member of your staff contact Dan Stoltz at 720-9080.

Attachments

cc: Agency Chief Information Officers
   Agency Budget Officers

OCIO:PPMD:ASnyder/DStoltz/MHolland/GParham/IHobbs/gj   4/11/03   720-6330
S:\CAPPLAN\IT and Major Systems Call Memos\IY 2005 Portfolio Management
Memo.doc   REPLY TO ATTN OF: 3111-1

NEW MAJOR INVESTMENTS

Agency	Investment Name
APHIS	Wildlife Service MIS 2000
ARS	AGRICOLA
ARS	Research Automation/Mission Support
DA	Computer Emergency Notification System
FAS	Core Information and Communication Systems
FS	ROSS
FSA	GIS
NRCS	Data Acquisition
NRCS	Customer Service Toolkit
OCFO	Data Warehouses
OCFO	eTravel
OES	Correspondence Tracking System
RMA	Corporate Insurance Information Systems

Departmental Priority Systems - Updated October 04, 1999.

Agency	Name of Department Mission Critical System
Agricultural Marketing Service	Financial Information System
Agricultural Marketing Service	Market News Information System
Animal and Plant Health Inspection Service	Export Certification Program
Animal and Plant Health Inspection Service	Generic Database (GDB)
Animal and Plant Health Inspection Service	Headquarters WADS replaces AQI-Monitoring
Animal and Plant Health Inspection Service	Laboratory Information Management System
Animal and Plant Health Inspection Service	Licensing and Registration Information System
Farm Service Agency/Kansas City	717 CDC - Automated Price Support System (APSS) - # 2
Farm Service Agency/Kansas City	88 CDC - Assignment/Joint Payment System, SCOAP
Farm Service Agency/Kansas City	78 CDC - Automated Claims System (SCOAP) (ACS)
Farm Service Agency/Kansas City	77 CDC - Cash Receipts System SCOAP
Farm Service Agency/Kansas City	76 CDC - Check Writing System SCOAP
Farm Service Agency/Kansas City	80 CDC - Common Receivable System (SCOPPS) (CRS)
Farm Service Agency/Kansas City	118 CDC - Conservation Reserve Program (CRP) (SCOAP)
Farm Service Agency/Kansas City	86 CDC - Data Control System, SCOAP (DCS)
Farm Service Agency/Kansas City	102 CDC - Direct Deposit System SCOAP
Farm Service Agency/Kansas City	534 CDC - Grain Inventory Management System Phase 2
Farm Service Agency/Kansas City	540 CDC - Processed Commodity Inventory Mgmt. System (PCIMS)
Farm Service Agency/Kansas City	123 CDC - PA Payment Systems
Food and Nutrition Service	Agency Financial Management System (AFMS)
Food and Nutrition Service	Anti-Fraud Locator using EBT Retailer Transactions (ALERT)
Food and Nutrition Service	Coupon Requisition & Inventory Management System (CRIMS)
Food and Nutrition Service	Disqualified Recipient Subsystem (DRS)
Food and Nutrition Service	Food Stamp Program Integrated Information System (FSPIIS)
Food and Nutrition Service	National Integrated Quality Control System (NIQCS)
Food and Nutrition Service	Regional Office Administrated Program (ROAP)
Food and Nutrition Service	Special Nutrition Program Integrated Information System (SNPIIS)
Food and Nutrition Service	Store Tracking, Authorization and Management Subsystem (STARS)

Food Safety and Inspection Service	Automated Import Information System (AIIS)
Food Safety and Inspection Service	Performance Based Inspection System (PBIS)
Food Safety and Inspection Service	Planned Compliance Program (PCP)
Food Safety and Inspection Service	Residue Violations Information System (RVIS)
Forest Service	Fire & Aviation Management - F&AM
Natural Resources Conservation Service	Climate (CLIMSYS)
Natural Resources Conservation Service	Snowpack Telemetry Data Collection Office Software (SNOTEL)
Natural Resources Conservation Service	Water Supply Forecasting (WSF)
OCFO/National Finance Center	Accounting Applications
OCFO/National Finance Center	Administrative Payments
OCFO/National Finance Center	Billings & Collections
OCFO/National Finance Center	Payroll/Personnel
OCFO/National Finance Center	Thrift Savings Plan
Office of Operations	Hearing Impaired Paging (HIP) System
Risk Management Agency	Actuarial Filing System
Risk Management Agency	Data Acceptance System (DAS) - SUN
Risk Management Agency	Reinsurance Accounting System (RAS) - SUN
Rural Development	Automated Multi-Housing Accounting System (AMAS)
Rural Development	Dedicated Loan Origination and Servicing System
Rural Development	Federal Finance Bank Loan Accounting System
Rural Development	Guaranteed Loan Accounting System
Rural Development	Program Loan Accounting System
Rural Development	Rural Telephone Bank Loan Accounting System
Rural Development	Rural Utilities Loan Accounting System

Portfolio Segment: Legislative Mandates
Project Manager: John Rehberger

Current CPIC Phase:

Pre-Select   Select   Control   Evaluate   Steady-State

Value Proposition:

- *Strategic:*
  - Supports Department's IT Capital Planning process and improved interagency coordination
  - Necessary to show measurable improvement in this area to get a 'green' rating on the President's Management Agenda scorecard
  - Leverages existing Enterprise Architecture Management System (EAMS) developed by HUD
- *Financial:*
  - Reduces costs by allowing to USDA to identify redundant systems and plan for consolidation/ elimination and by encouraging reuse of existing components
  - Modified EAMS system will be available to other federal agencies to reduce costs
  - Increased Department-wide licensing and planning lowers procurement costs
- *Operational:*
  - Supports the coordination of separate, but integrated, EA components across USDA
  - Centralized repository streamlines OMB reporting and enables further planning/development for defining specific layers of the EA
  - Includes training and support in Department's EA process and use of EAMS

As-Is Overview:

- No enterprise architecture defined at the Department level
- Limited integration between EA planning and IT capital planning process
- Limited enterprise-wide planning and risk management
- Currently 12 enterprise-wide IT contracts

To-Be Overview:

- Establishes organization and mechanisms for creating EA at the Department level
- Provides increased Enterprise Architecture support for IT capital planning
- Demonstrates that USDA is actively engaged in IT planning and risk management
- Increases the number of Department-wide IT contracts to 21
- Aligns USDA efforts with other Federal agencies' and Presidential and USDA eGovernment initiatives

Cost-Benefit Summary:

Benefits consist of realized savings from new enterprise-wide IT contracts. The analysis assumes a 4% real discount rate.

Dollars (000's)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007 & Beyond
Total Benefits	79,450	79,450	79,000	79,000	79,000	79,000
Total Costs	380	7,500	15,000	15,000	12,000	8,000
ROI	736%					
Net Present Value	379,949					

High-Level Timeline & Milestones:

- Phase I (90 days): Update EA plan; assess component readiness
- Phase II (150 days): Provide EAMS support
- Phase III (259 days): Develop initial architecture

Risks and Dependencies:

- Risks include sustaining project resources; lack of standardized EA development process; internal resistance to change, and security
- Depends on executive management support
- OMB and PMA mandates and timeline